[Rao Bahadur A. Rengaswami Aiyar.]

GENERAL REVENUE POSITION.

61. During the years 1109, 1110 and 1111, the accounts showed a deficit of Rs 5·77 lakhs, Rs 4·45 lakhs and Rs 4·06 lakhs respectively. As stated already, we are anticipating a revenue surplus of Rs 11·52 lakhs and Rs 2·60 lakhs for 1112 and 1113 respectively. We may hope that the depression is lifting definitely and that the corner has been turned. Still, expenditure in a progressive State like ours is bound to increase in various directions. It is therefore absolutely essential that we should build up a substantial revenue reserve fund to provide for special and capital expenditure, to meet unforeseen fall of revenue, and to maintain the stability and solvency of our finances on an un-assailable basis. In para 44 of my last budget speech, I stated that we should aim at setting apart annually about Rs 5 lakhs at least for the purpose. I propose accordingly to make a start in the accounts of the current year and to open a Revenue Reserve Fund with a credit of Rs 10 lakhs taken out of the anticipated surplus for the current year. It is, however, necessary that we should not relax our vigilance in regard to the control of expenditure or our efforts for securing economies, as far as possible.

WAYS AND MEANS.

62. From para 47 of my last budget speech, it will be seen that it was then contemplated to withdraw Rs 27·40 lakhs from our surplus investments to finance the current year's estimated capital expenditure on productive and non-productive schemes. But, as the progress of the expenditure on these schemes did not come up to the anticipated level, it was possible not only to finance the schemes with the loan raised at the close of last year, but also to invest Rs. 20·36 lakhs in short term deposits. Our cash balances in Treasuries and Bank are expected to amount to Rs 70·59 lakhs at the close of the current year.

With a view to finance the estimated programme of capital and industrial schemes amounting to Rs 98·48 lakhs and to maintain adequate cash balances in Treasuries and the Bank, it is proposed to withdraw Rs 20·36 lakhs next year from our

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